

Message Text

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SUBJECT: CIVIL SERVICE STRIKE THREATS RENEWED AS PASSOVER ENDS

REF: A) TEL AVIV 2444 B) TEL AVIV 2520 C) TEL AVIV 2156

SUMMARY: NEW IMPASSE IN CIVIL SERVICE WAGE NEGOTIATIONS LIKELY TO DELAY MAY 2 PAY DAY FOR 60,000 CIVIL SERVANTS AND PRECIPITATE PARTIAL STRIKES AND SANCTIONS. AT SAME TIME BOTH PUBLIC MOOD AND KNESSET APPEAR INCREASINGLY OPPOSED TO LAST MINUTE GOVERNMENT AGREEMENT TO GRANT 5 PERCENT WAGE INCREASE AND OTHER CONCESSIONS COMPROMISING BARKAI COMMISSION DECISION TO END SPECIAL ALLOWANCES AND TO RESTRICT WAGE INCREASES. DESPITE DIRE THREATS AND PREDICTIONS, PROSPECT OF GENERAL CIVIL SERVICE STRIKE SO FAR UNLIKELY. END SUMMARY.

1. CIVIL SERVICE WAGE NEGOTIATIONS REACHED A NEW IMPASSE AS END OF PASSOVER APPROACHES, MAKING VIRTUALLY CERTAIN DELAY OF MAY 2 PAYDAY FOR APRIL SALARIES (WHICH ARE TO INCLUDE 10.1 COST OF LIVING ADJUSTMENT) AND PARTIAL CIVIL SERVICE STRIKES AND/OR SANCTIONS. DEADLOCK OVER IMPLEMENTATION OF BARKAI COMMISSION DECISION (REFTELS A, B) TO ELIMINATE SPECIAL CIVIL SERVICE ALLOWANCES AND TO FREEZE WAGES EXCEPT FOR COST OF LIVING ADJUSTMENTS THUS CONTINUES DESPITE GOVERNMENT-HISTADRUT COMPROMISE AGREEMENT ON APRIL 13 TO GRANT 5 PERCENT WAGE INCREASE OVER 1976-1977 PERIOD AND TO EXTEND FROM ONE TO TWO YEARS ELIMINATION PERIOD FOR SPECIAL ALLOWANCES NOW RECEIVED BY THIRD OF CIVIL

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SERVANTS.

2. WHEN GOI AND HISTADRUT ANNOUNCED CONCESSIONS SUBSTANTIALLY MODIFYING BARKAI DECISION WHICH BOTH GOI AND UNIONS HAD PLEDGED IN ADVANCE TO ACCEPT, IMMEDIATE STRIKE THREAT BY MORE MILITANT UNION GROUPS ABOUT TO LOSE THEIR ALLOWANCES SEEMED TO RECEDE. NOW MAJORITY GROUP OF CIVIL SERVANTS WHICH HAD NOT RECEIVED ALLOWANCES AND WHICH INSISTS ON EARLY RESTORATION OF UNIFORM CIVIL SERVICE YPAY SYSTEM ARE BLOCKING FURTHER COMPROMISE UNTIL HISTADRUT AND CIVIL SERVICE UNION INCLUDE IN NEGOTIATING PACKAGE THEIR DEMAND THAT FIRST INSTALLMENT OF ALLOWANCE REDUCTIONS BEGIN MAY 2.

3. IMPASSE FOLLOWED HIGH LEVEL DISCUSSIONS EVENING OF APRIL 19 IN PRIME MINISTER'S OFFICE ATTENDED BY PRIME MINISTER, FINANCE MINISTER, LABOR MINISTER, AND KEY HISTADRUT LEADERS SEEKING AGREEMENT ON IMPLEMENTATION OF WAGE INCREASE AND GRADUAL ELIMINATION OF ALLOWANCES IN ORDER TO AVOID DELAY OF CIVIL SERVICE PAY ROLL. WHEN WORKS COUNCIL LEADERS OF CIVIL SERVICE MAJORITY GROUP NOT RECEIVING SPECIAL ALLOWANCES HEARD THAT GOVERNMENT IS READY TO PAY ALLOWANCES AS USUAL ON MAY 2 PAYDAY AND TO CONTINUE NEGOTIATIONS WITH IMMEDIATE STRIKE THREAT BY MINORITY GROUP THUS REMOVED, THEY DECLARED THAT HISTADRUT AND CIVIL SERVICE UNION LEADERSHIP NOT AUTHORIZED TO NEGOTIATE ON THEIR BEHALF UNLESS THEY HAD APPROVED HISTADRUT NEGOTIATING PACKAGE IN ADVANCE.

4. ALTHOUGH NEGOTIATIONS ARE TO RESUME IMMEDIATELY AFTER APRIL 21 HOLIDAY, EARLY SETTLEMENT OF DIFFERENCES BETWEEN TWO CIVIL SERVICE GROUPS, HISTADRUT, AND GOVERNMENT NOT LIKELY. MAJORITY WORKS COUNCIL LEADERS FROM MINISTRIES OF HOUSING, RELIGION, TRANSPORTATION, WELFARE, EDUCATION, INTERIOR, JUSTICE, TOURISM, HEALTH, SOCIAL AFFAIRS, AGRICULTURE, LABOR, IMMIGRATION, AS WELL AS ISRAEL LAND AUTHORITY, HAVE NOW ANNOUNCED THREE DAY SANCTIONS BEGINNING APRIL 25 DURING WHICH THEY WILL REFUSE TO DEAL WITH PUBLIC. IF AFTER THREE DAYS THERE IS NO PROGRESS TOWARD AGREEMENT, THEY THREATEN TO ESCALATE PARTIAL STRIKE AND EVENTUALLY STOP ALL WORK. HOWEVER, VITAL SERVICES, SUCH AS HOSPITALS, IMMIGRATION RECEPTION, SCHOOLS, AND TRANSPORTATION, ARE NOT TO BE AFFECTED.

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5. IN MEANTIME, MATTERS FURTHER COMPLICATED BY ANNOUNCEMENT OF KNESSET FINANCE COMMITTEE CHAIRMAN ISRAEL KARGMAN THAT HE WOULD TRY TO BLOCK FUNDS FOR 5 PERCENT WAGE INCREASE AGREEMENT BETWEEN HISTADRUT AND GOI.

6. COMMENT: GROWING PUBLIC AND KNESSET MOOD IS TO SUPPORT RESTRICTIONS OF PUBLIC SPENDING AND TO DEMAND FULL AND IMMEDIATE IMPLEMENTATION OF BARKAI COMMISSION DECISION. HOWEVER, IT REMAINS

TO BE SEEN WHETHER PRO-ECONOMY GROUP CAN PREVAIL IN LIGHT OF RECENT
ACCELERATION OF INFLATION AND IN FACE OF CIVIL SERVICE STRIKE
THREATS, ESPECIALLY SINCE GOI HAS ALREADY CONCEDED NEED FOR
COMPROMISE.

CRISES AND APPARENT DEADLOCKS IN PUBLIC SERVICE WAGE NEGOTIATIONS
TEND TO BE OVERDRAMATIZED HERE, BUT ARE OFTEN RESOLVED BY COMPROMISE
WITHOUT OVERLY INCONVENIENCING THE PUBLIC. HOWEVER, IN
THE PROCESS THE STATUS OF BOTH GOVERNMENT AND UNION LEADERSHIP
ERODES EVEN FURTHER.
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